

Message Text

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67

ORIGIN EB-07

INFO OCT-01 ARA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

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FEA-01 INT-05 TRSE-00 FS-01 L-02 H-01 /052 R

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CAB - COLDREN

FEA - GOODWIN (INFO)

FSE - CREEKMORE

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FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

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E.O. 11652: N/A

TAGS:EAIR, ENRG, VE

SUBJECT:SPECIAL PRICE FOR AVIATION FUEL ON BEHALF OF
VENEZUELAN INTERNATIONAL AIRLINE VIASA

REF: CARACAS 11831

1. DEPT BELIEVES THAT FACTS OUTLINED IN REFTL, IF TRUE,
JUSTIFY STRONGLY WORDED NOTE TO GOV DRAWING ON FOLLOWING:

(1) THE REQUIREMENT THAT FUEL SUPPLIERS GRANT A REBATE
TO VIASA 30 PER CENT BELOW THE PRICE CHARGED US AIRLINES
WOULD CONSTITUTE A VIOLATION OF THE FAIR AND EQUAL OPPOR-
TUNITY PROVISION (SECT IV B OF THE ANNEX) OF THE BILATERAL
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AGREEMENT ON AIR TRANSPORT SERVICES BETWEEN THE US AND

VENEZUELA.

(2) UNDER US FEA FUEL ALLOCATION REGULATIONS (SECT 211. 145(B):

AVIATION FUEL FOR INTERNATIONAL FLIGHTS SHALL BE ALLOCATED ON A NON DISCRIMINATORY BASIS AMONG INTERNATIONAL CARRIERS SUBJECT TO MODIFICATION FOLLOWING CONSULTATIONS WITH APPROPRIATE FEDERAL AGENCIES ON A CASE BY CASE BASIS IF REQUIRED TO ENCOURAGE RECIPROCAL NON DISCRIMINATORY ALLOCATION OF AVIATION FUEL FOR US CARRIERS". HENCE FAILURE

OF THE GOV TO RECTIFY THE ALLEGED DISCRIMINATORY PRICES GRANTED TO VIASA COULD REQUIRE COUNTER MEASURES AGAINST VIASA BY THE FEA.

(3) IT SHOULD ALSO BE NOTED THAT UNDER PART 213 OF THE ECONOMIC REGULATIONS OF THE CIVIL AERONAUTICS BOARD, A FOREIGN AIR CARRIER MAY BE REQUIRED TO FILE SCHEDULES WITH THE BOARD FOR APPROVAL OR DISAPPROVAL WHERE "THE GOVERNMENT OR AERONAUTICAL AUTHORITIES, OVER OBJECTIONS OF THE USG, HAVE DENIED OR FAILED TO PREVENT THE DENIAL OF, IN WHOLE OR IN PART, OF THE FAIR AND EQUAL OPPORTUNITY TO EXERCISE RIGHTS--" PROVIDED FOR IN THE APPLICABLE BILATERAL AIR TRANSPORT AGREEMENT WITH RESPECT TO A US AIR CARRIER DESIGNATED UNDER THE AGREEMENT.

(4) WE DESIRE TO AVOID, PROLIFERATION OF DISCRIMINATORY FUEL ALLOCATION POLICIES ABROAD. US POLICY IS NOW TO GIVE INTERNATIONAL CARRIERS ACCESS TO US DOMESTIC FUEL WHERE THE PRICE OF BONDED FUEL EXCEEDS THE LAWFUL PRICE OF DOMESTIC FUEL. THIS POLICY WAS ADOPTED IN THE FACE OF STRONG OPPOSITION FROM US DOMESTIC INTERESTS AND WILL BECOME INCREASINGLY HARD TO SUSTAIN IF FOREIGN GOVERNMENTS DISCRIMINATE AGAINST US CARRIERS.

2. TRANSMIT DEPT SOONEST TEXT OF NOTE DELIVERED. KISSINGER

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